**State of Wisconsin
Governor Jim Doyle**

TO: **Economic Support Supervisors
Economic Support Lead Workers
Training Staff
Child Care Coordinators
W-2 Agencies**

FROM: Amy Mendel-Clemens
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        Communications Section

BHCE/BWP OPERATIONS MEMO
No.:   03-02
Date: 01/17/2003
Non W-2 [X]   W-2 []   CC []
PRIORITY: High

SUBJECT: **Medicare Premium Assistance (Buy-In)**

CROSS REFERENCE: Medicaid Eligibility Management Handbook, Appendix 27.0.0

EFFECTIVE DATE: Immediately

PURPOSE

The purpose of this Operations Memo is to:

1. Discuss the ending of the Additional Low-Income Medicare Beneficiary (ALMB) Medicare Premium Assistance program on December 31, 2002.

2. Explain how to correctly process both automated and manual Medicare Premium Assistance cases.

BACKGROUND

The Additional Low-Income Medicare Beneficiary (ALMB) program, also known as Qualifying Individuals Group 2 (QI-2) program, was authorized in federal law with a sunset provision that ends the program on December 31, 2002. This Medicare Premium Assistance Program reimbursed recipients for the difference between their Part B Medicare Premiums and the amount of the Part B premium in 1997.   To be ALMB (QI-2) eligible, an individual or couple had to meet all of the following criteria:

- Be entitled to and receiving Medicare Part B coverage.
- Not be eligible for any other Medicaid subprogram, including other Medicare Premium Assistance programs.
- Have income that exceeded 135% of the Federal Poverty Level (FPL) but did not exceed 175% FPL.
- Have assets that did not exceed $4,000 for an individual and $6,000 for a couple.

A change was implemented to the CARES/MMIS Interface on October 25, 2002, which sends accurate updated Medicare Buy-In information from CARES to MMIS. Since that time, it has been determined that some recipients/participants have incorrect buy-in action flags (BAFs) remaining from previous periods of eligibility. The Department of Health and Family Services (DHFS) is in the process of ensuring that all individuals on MMIS have the correct BAF for the Medicare Premium Assistance subprogram for which the client is eligible (Note: See "Next Steps").

POLICY

ADDITIONAL LOW-INCOME MEDICARE BENEFICIARY (ALMB)

The ALMB program ended effective December 31, 2002. One final reimbursement check will be sent to eligible participants in early January 2003. The Medicaid Fiscal Agent has ended the ALMB eligibility segment on MMIS with an end date of December 31, 2002. Do not send in a manual 3070 that would extend eligibility beyond this date as the Medicaid Fiscal Agent will not process any eligibility that extends beyond December 31, 2002.

Participants will receive a letter from the Department of Health and Family Services that explains that the ALMB or QI-2 program has ended (see attachment). It instructs those persons whose income has decreased that they may be potentially eligible for Medicaid or other Medicare Premium Assistance programs and, if they are interested, to contact their county or tribal department of human or social services.

For persons that apply for assistance in December 2002 or January through March 2003, the individual or couple could be eligible for backdated ALMB (QI-2) benefits in the months prior to December 31, 2002. You must determine eligibility for the backdated period and send a manual 3070 form to the Medicaid Fiscal Agent certifying ALMB eligibility for October, November and/or December 2002.

Since this program has not been automated in the CARES system, there are no CARES changes associated with this policy and process change.

PROCESS

DEFINITIONS

Buy-In Action Flags (BAFs): The BAFs are sent to MMIS based on the action in CARES and indicate the buy-in eligibility for each individual. Only the most current BAF can be seen and is

indicated on MMIS EDSNET RB screen. The BAFs are as follows:

BAF	Description
X	Cancel/stop buy-in once it has started or to prevent automatic buy-in for a recipient in a protected category[2].
A	QMB eligible
B	SLMB eligible
U	SLMB+ eligible (Qualifying Individual, group 1)
T	ALMB (Qualifying Individual, group 2)[3]

The following is a list of the Medicare Premium Assistance only medical status (med stat) codes:

Med Stat	Description
Q1	Qualifying Individual, 120% -135% (SLMB+)
Q2	Qualifying Individual > 135%-175%, partial Part B only (ALMB)[3]
QN	QMB only, institutionalized
QR	QMB only, non-institutionalized
SB	SLMB only < 120%

Qualified Medicare Beneficiary (QMB): Medicaid pays Medicare Part A and B premiums, Medicare deductibles and co-payments and/or co-insurance.

Specified Low-Income Medicare Beneficiary (SLMB): Medicaid pays only the Medicare Part B premiums.

Specified Low-Income Medicare Beneficiary Plus (SLMB+): Medicaid pays only the Medicare Part B premiums. Individuals receiving SLMB+ are also referred to as Qualifying Individual Group 1 (Q1).

PROCEDURE

PROCESSING IN CARES

QMB and SLMB eligibility should continue to be processed in CARES under current guidelines. At the time a person applies for a Medicare Premium Assistance program, be sure to indicate "Y" on the QMB ACPA request screen. The CARES/MMIS Interface will update MMIS with the correct buy-in action flag if the individual is found eligible for QMB or SLMB.

QMB and SLMB eligibility should be tested in CARES before manually testing an individual for SLMB+.

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[1] See the Medicaid Eligibility Management Handbook for protected category processing (27.13.0).
[2] Ended effective December 31, 2002.

When a premium payor needs to be changed on AFMD, treat this change as any other reported change. The premium payor is included in the BENDEX file. Do not change the premium payor to "self" in order to affect the client's cost sharing obligation. Once the payor change has been entered in CARES on screen AFMD, run eligibility for that month.

MANUAL PROCESSING

There are times when eligibility can not be processed in CARES and MMIS needs to be updated manually. Complete a 3070 with the correct BAF and/or med stat code from the list above and indicate the month and year the action is effective. Include the Health Insurance Claim (HIC) Number and Title 18 (T18) code on all initial certifications (Cert 1). For all cases that are manually determined, the Economic Support (ES) worker will need to manually send notices and track reviews (unless open in CARES for some other program of assistance).

When an individual moves from a CARES determined Medicare Buy-In subprogram, to a non-CARES determined Medicare Buy-In subprogram, the worker must allow a BAF of "X" to be sent to the MMIS before sending the non-CARES BAF through a 3070. In these circumstances, the ES worker should wait until the following Thursday, the date reconciliation (recon) is run, before sending in the 3070 to EDS with the new BAF. (For example, if SLMB closes on Friday, send the 3070 to EDS on the following Thursday. If SLMB closes on Thursday, send the 3070 to EDS that day.) If the ES worker does not wait until after reconciliation to update the BAF on MMIS, the BAF will be overwritten with an "X" when CARES updates this information.

> **Example.** George was eligible for and receiving the benefits for SLMB from January 2, 2002 through June 30, 2002. Due to an increase in income, which was reported June 3, George is eligible for SLMB+ effective July 1, 2002. George's ES worker submits a 3070 and indicates that the BAF should be "U" with a BAF date of 0702.
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> CARES will send a BAF of "X" with an effective date of 0702 to MMIS. If George's ES worker updates the BAF with a 3070 prior to recon, the new BAF of "U" will be replaced with an "X". George's ES worker needs to wait until the Thursday following the day that the SLMB closed before sending the 3070.

When an individual moves from a non-CARES determined Medicare Buy-In subprogram to a CARES determined Medicare Buy-In subprogram, CARES will automatically update the BAF on MMIS. There is no need to send a 3070 with an "X".

> **Example.** Ella was eligible for SLMB+ from January 1, 2002 through June 30, 2002. Due to a decrease in income, which Ella reported on June 6, Ella is now eligible for SLMB effective July 1, 2002.   Ella's ES worker updates the information in CARES.
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> The BAF of "U" is replaced with "B" and a BAF date of 0702. The worker does not need to submit a 3070 to update Ella's BAF on MMIS.

Disabled Adult Child (DAC), 503, or widow/widower clients automatically have their premiums paid for by Medicaid. When these individuals are adversely affected by the State paying his/her

Part B premiums (e.g., the increase in the client's Social Security check results in the person losing Medicaid), s/he may request that the State not pay the Part B premium. To end the State payment of the Part B premium, contact the Buy-In Analyst at (608) 221-4746, extension 3107.

For all changes that need to be made retroactively, a 3070 should not be completed. The Economic Support worker should contact the Buy-In Analyst at (608) 221-4746, extension 3107. When contacting the Buy-In Analyst, have the following information available for the period of time in question:

1. The client's SSN.
2. The new buy-in action flag.
3. The effective date of the new buy-in action flag.

VIEWING MEDICARE BUY-IN ELIGIBILITY ON MMIS

To view the Medicare Buy-In eligibility for an individual, three screens on EDSNET can be used:

1. The med stat code for the individual is found on the RE screen.
2. The current BAF and date are found on the RB screen.
3. The recipient's current premium assistance buy-in activity is found on the RM screen.

Example. David was eligible for SLMB+ from January 1, 2002 through June 30, 2002. Due to a decrease in income, which David reported on June 6, David is now eligible for SLMB effective July 1, 2002.   David's ES worker updates the information in CARES. A med stat of SB and BAF of "B" with a date of 0702 are sent to MMIS

The ES worker verifies the med stat on the RE screen and the BAF and the BAF date on the RB screen.

FORWARD CARD

Forward Cards are issued for QMB med stat codes (QR or QN).

No Forward Card is issued for the following med stat codes because there are no claims payable by Medicaid:

1. SLMB (SB, BAF B)
2. SLMB+ (Q1, BAF U)
3. ALMB (Q2, BAF T)[3]

SENIORCARE

COMBINATION MED STATS

Recently, combination SeniorCare and Medicare Premium Assistance med stat codes were introduced. Implementation of these combination med stat codes was necessary so that Medicaid could pay claims for both Medicaid limited benefits in addition to Medicare premiums

and co-insurance for services that are not included in the limited benefit package. The Medicare Buy-In Action Flags (BAF) were not enough to adequately process these claims.

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[2] Ended effective December 31, 2002.

Following are a list of the SeniorCare (SC)/Limited Benefit combination med stat codes and a description of the programs that are included in each med stat code:

Med Stat	Description
SF	SC Deductible/QMB, >160%-200% of the Federal Poverty Level (FPL)
SG	SC Co-pay/QMB, up to 160% of the FPL
SH	SC Deductible/TB/QMB, >160%-200% of the FPL
SJ	SC Co-pay/TB/QMB, up to 160% of the FPL

Note: There are no combination med stat codes for SC and SLMB, SC and SLMB+, or SC and ALMB[2]. No Medicaid services, including Medicare co-insurance, co-payment or deductible, are payable for SLMB so there is no need for combination med stat codes.

NEXT STEPS

Shortly after the first of the year, counties will receive the Medicare Premium Assistance Discrepancy Report. This report will be distributed through the CARES coordinators, and each county will be distributing the report to the appropriate workers.

> **NOTE** ➢ Not all workers will have cases on the discrepancy report.

Any cases on this report that have not been resolved by the thirteenth of the following month will be incorrectly bought-in for an additional month. Therefore, the cases on this report should be resolved as quickly as possible. More detailed instructions will accompany the report.

ATTACHMENTS

DHFS letter to recipients explaining the ALMB or QI-2 program has ended.

CONTACTS

BHCE CARES Call Center

> Email: carpolcc@dwd.state.wi.us
> Telephone: (608) 261-6317 (Option #1)
> Fax: (608) 266-8358

Note: Email contacts are preferred. Thank you.

DHFS/DHCF/BHCE/SJ

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[2] Ended effective December 31, 2002.

November 17, 2002

Recipient Name
Address
City, State Zip

Dear Recipient:

During the last year you participated in the Qualifying Individuals II (QI-2) program. Your eligibility for this program was based upon your income and your assets. For those eligible, the QI-2 program pays to you the difference between the Medicare Part B premium in 1997 and the Part B premium that you have paid in 2002. You will receive your 2002 check in January 2003.

Unfortunately, the Qualifying Individuals II program is ending. December 2002 is the last month for the program. The federal law that created the program had an end for the program of December 31, 2002. Beginning January 1, 2003, we will no longer reimburse you for the difference in your current Medicare Part B premium and the 1997 premium amount. Because this is a change that affects all QI-2 recipients and is the result of a change in law, you cannot request a fair hearing to review this action.

If your income has decreased, you should check with your local department of health/social services to see if you qualify for other Medicare Premium Assistance programs. With lower income and/or assets you may now qualify for Medicaid coverage.